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Press Release

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The International Monetary Fund to Release the Third Tranche of US Dollars 167.2 million under the Extended Fund Facility

The second review of the three-year Extended Fund Facility (EFF) obtained by Sri Lanka in June 2016 has been successfully completed by the International Monetary Fund (IMF) and the third tranche to the value of SDR 119.894 million (approximately US dollars 167.2 million) will be disbursed on 19 July 2017.

The EFF aims at supporting the Balance of Payments and the broad economic reform agenda of the government. Following the Executive Board's discussions of the review, the IMF has commended the stable macroeconomic and financial condition of Sri Lanka despite severe weather events and global market volatility. The IMF has also welcomed the fiscal consolidation measures implemented by the Government, particularly the submission of the new Inland Revenue Act to the Parliament. While acknowledging the tightening of the monetary policy in March, the IMF has welcomed the stability of financial soundness indicators and the commitment of the authorities for continued international reserve accumulation and enhanced exchange rate flexibility. The IMF has also appreciated the efforts taken by the authorities to achieve quantitative performance criteria set under the EFF.

With the disbursement of the third tranche, a total of US dollars 501.5 million has been received thus far by Sri Lanka on account of the EFF. Continuation of the EFF would help the country to strengthen external resilience and improve macroeconomic stability, thereby supporting the achievement of medium term growth, while enhancing market confidence.